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IN THE

Supreme Court of the United States

OCTOBER 1957 TERM

No. 717

ZIVNOSTENSKA BANKA, AND SO FORTH, *Appellant*,

— against —

STEPHEN, ET AL., *Respondents.*

MOTION TO DISMISS APPEAL

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MOTION TO DISMISS APPEAL

Respondents in the above-entitled case move to dismiss the appeal on the grounds that it does not present a substantial federal question, and that one of the two questions sought to be reviewed was not timely or properly raised or expressly passed on, as required by Rule 16 (1)(b) of this Court. The appeal is based on 28 U. S. Code Section 1257(2).

Appellant's statement of the questions presented by this appeal is so vague, and its statement of facts so discursive, as not accurately to reflect the simple issue presented by this appeal. We therefore feel obliged to give the Court our own version on these two points.

QUESTIONS PRESENTED

Whether Section 977-b of the Civil Practice Act of the State of New York and a New York State court judgment pursuant thereto, in providing for the appointment of receivers of the New York assets of a Czechoslovak banking corporation,

(1) interferes with any policy of the United States Government concerning the property or claims of Czechoslovak nationals or the nationalization decrees of the Czechoslovak government, thereby violating Article VI, Clause 2 of the United States Constitution;

(2) may, consistently with the federal Constitution, be applied to property in the State of New York which was not within the state at the time of the promulgation by the Czechoslovak government of its nationalization decrees.

STATEMENT

In 1952, plaintiffs-respondents herein commenced this action in the Supreme Court for New York County for the appointment of permanent receivers of defendant-appellant's New York assets, pursuant to Section 977-b of the New York Civil Practice Act, which establishes a procedure for the satisfaction of claims against foreign corporations that had been dissolved, liquidated, or nationalized. In conformity with Subdivision 1 of Section 977-b, the Supreme Court for New York County entered an order in May, 1953 appointing temporary receivers for appellant's New York assets (R. 1, fols. 37-45).

In connection with a motion by the respondents to examine certain New York banks as to the assets of

appellant in their possession, numerous substantive issues were raised (R. 1, fols. 448-452). All of the issues thus raised were tried before a Referee appointed by the Court, Mortimer Hays, Esq., who held numerous hearings extending over a period of two years. The report of the Referee (R. 1, fols. 439-675) was confirmed by Mr. Justice Irving L. Levey in the Supreme Court for New York County on all except two issues, one of which was resolved by the Court in respondents' favor (R. 1, fols. 2263-2277). There was a further trial before Mr. Justice Louis J. Capozzoli of the New York Supreme Court on the sole issue then remaining in the case, the appellant's contention that it had not been nationalized within the meaning of Section 977-b of the Civil Practice Act; this issue also was resolved by Judge Capozzoli in the respondents' favor. Judge Capozzoli's judgment of July 13, 1956, which appointed permanent receivers for the assets in question, was affirmed by the Appellate Division of the Supreme Court, 2 App. Div. (2d) 958 (Case 10), and by the Court of Appeals of the State of New York, 3 N. Y. (2d) 862, in both cases without opinion.

None of the ten issues tried before the Referee or before the New York court are before this Court upon this appeal. The sole issue before this Court is that referred to by the New York Court of Appeals, when it amended the remittitur to the Supreme Court of New York County as follows:

> "Upon the appeal herein there was presented and necessarily passed upon a question under the Constitution of the United States, viz: the defendant argued that section 977-b of the New York Civil Practice Act and the appointment of a receiver pursuant thereto were in violation of established principles of constitutional law and in conflict with

the foreign policy of the United States. This Court held that there was no such violation or conflict."

THE FIRST QUESTION IS NOT SUBSTANTIAL

Appellant's entire case to this Court stands or falls on its ability to bring itself within the rule of *United States* v. *Belmont*, 301 U.S. 324, and *United States* v. *Pink*, 315 U.S. 203, which it has failed to do. The decisive factor in those cases was the existence of an international compact between the United States and the Union of Soviet Socialist Republics, the essential terms of which were (1) recognition by the United States of the U.S.S.R.; (2) the establishment of friendly diplomatic relations; and (3) the execution of the so-called "Litvinov Assignment", pursuant to which the United States government recognized the validity of the nationalization decrees of the Soviet government and the Soviet government assigned to the United States all Soviet claims against assets located in this country. The relationship of our government to the Czechoslovak government in this case is entirely different from the relationship with the U.S.S.R. involved in the *Belmont* and *Pink* cases; the United States government has no agreement with the Czechoslovak government concerning the distribution of Czechoslovak assets located in this country and has denounced the nationalization decrees of Czechoslovakia as confiscatory (see pp. 9, 16, *infra*).

The Court in the *Belmont* case pointed out (at p. 330):

> "The recognition, establishment of diplomatic relations, the [Litvinov] assignment, and agreements with respect thereto, were all parts of one transaction, resulting in an international compact between the two governments."

Article VI, Clause 2, of the Constitution expressly established the supremacy of treaties over state laws; "the same rule would result in the case of all international compacts and agreements from the very fact that complete power over international affairs is in the national government and is not and cannot be subject to any curtailment or interference on the part of the several states". (Id., p. 331.) The Court did not even inquire whether there was any policy of the State of New York to be infringed, on the ground that "no state policy can prevail against the international compact here involved" (id., p. 327), and held the United States entitled to lay claim to deposits of a Russian corporation with a New York bank, despite the fact that New York's public policy was opposed to the Russian nationalization decree.

The *Belmont* case was practically determinative of the controversy in the *Pink* case, where the Court cited approvingly the passages just quoted (see 315 U.S. at p. 223), and held the United States entitled to the remaining assets of the New York branch of a nationalized Russian insurance company, as against the company and foreign creditors. In the *Pink* case there was stressed the "broad and inclusive" nature of the Litvinov Assignment, which "should be interpreted consonantly with the purpose of the compact to eliminate all possible sources of friction between these two great nations" (id., pp. 224-5; see also pp. 232-3). Said the Court:

> "It was the judgment of the political department that full recognition of the Soviet Government required the settlement of all outstanding problems including the claims of our nationals. Recognition and the Litvinov Assignment were interdependent" (p. 230).

* * *

> "The purpose of the discussions leading to the policy of recognition was to resolve 'all questions outstanding' between the two nations. Establishment of Diplomatic Relations with the Union of Soviet Socialist Republics, Dept. of State, Eastern European Series, No. 1 (1933), p. 1: Settlement of all American claims against Russia was one method of removing some of the prior objections to recognition based on the Soviet policy of nationalization. The Litvinov Assignment was not only part and parcel of the new policy of recognition (id. p. 13); it was also the method adopted by the Executive Department for alleviating in this country the rigors of nationalization. Congress tacitly recognized that policy.' (Id., p. 227.)

The District Court cases cited on pages 9-10 of appellant's jurisdictional statement are permeated with the same emphasis on the Litvinov Assignment as an integral part of the policy of recognition adopted by the Executive Department towards the Soviet Union; as the means chosen by the Executive Department (and endorsed by the Congress) for the satisfaction of unpaid claims against Russian nationals and for thereby removing an impediment to the resumption of friendly relations between the two governments; and as recognition by the Executive Department of the validity of the Russian nationalization decrees and of the extraterritorial effect to be given those decrees:

Steingut v. *Guaranty Trust Co. of New York*, 58 F. Supp. 623 (S.D.N.Y.), aff'd, 161 F. 2d 571 (C.C.A. 2), cert. den. 332 U.S. 807;

United States v *National City Bank of New York*, 90 F. Supp. 448 (S.D.N.Y.);

United States v. *New York Trust Co.*, 75 F. Supp. 583 (S.D.N.Y.).

These decisions (which involved Section 977-b of the New York Civil Practice Act) applied, to Russian decrees relating to the nationalization of banking corporations, the principles already laid down by this Court in the *Belmont* and *Pink* cases. The paragraphs cited by appellant stand only for the proposition that New York State could not enforce Section 977-b with respect to assets covered by the Russian nationalization decrees, because such enforcement "would collide with and subtract from the Federal policy" embraced in recognition and the Litvinov Assignment, *United States* v. *Pink, supra* at p. 231; *United States* v. *National City Bank, supra* at p. 450).

Section 977-b of the Civil Practice Act cannot interfere or collide with any national policy in this case, because there is no national policy governing the distribution of Czechoslovak assets in this country. In fact, the policy of Section 977-b to provide for the satisfaction of unpaid claims against the Czechoslovak government and nationals is consistent with our State Department's unqualified denunciation of the confiscatory decrees adopted by the Czechoslovak government.

There is involved here no international compact between the United States and the Czechoslovak government resolving the legal status of Czechoslovak assets in this country; no assignment to the United States nor equivalent device whereby unpaid claims against Czech nationals may be paid; no indication by the Executive Department that the nationalization decrees of the Czechoslovak government are to be given extraterritorial effect with respect to assets located in the United States; and no expression of national policy looking to the establishment of more amicable relations with the Czechoslovak government.

Since appellant is attacking the constitutionality of Section 977-b, it is its obligation to establish the existence of a national policy with respect to Czechoslovak assets in this country that would be impaired by the Section or the judgment herein. The sole evidence for the existence of such a national policy proffered by the appellant is a single paragraph in a 1946 executive agreement between the United States and Czechoslovakia (61 Stat. 2431-2435, Par. 7), in which the representatives of the two governments agree to make adequate and effective compensation to each other's nationals in connection with nationalized and requisitioned properties and note is made of the fact that negotiations for such compensation would shortly begin. Since that time, the then free government of Czechoslovakia has been succeeded by the current Communist regime, and no substantive step has been taken in fulfillment of this eleven-year-old promise. Moreover, the relationship between the United States and the Czech governments has deteriorated and the United States government has given the following official indications of its disapproval of the juridical, commercial and property policies pursued by the current government of Czechoslovakia. (Certain documents in which this disapproval is registered, which were judicially noticed and considered by the New York Court of Appeals in passing upon the constitutional issue, are reproduced for the Court's convenience as appendices to this motion):

1. The United States, on July 31, 1951, requested the Contracting Parties to the General Agreement on Tariffs and Trade to set aside the commitments of the General Agreement as they apply between the United States and Czechoslovakia (see Appendix A, Depart-

ment of State Bulletin, Vol. XXV, No. 634, Aug. 20, 1951, p. 290; Appendix B, Department of State Bulletin, Vol. XXV, No. 642, Oct. 15, 1951, pp. 622-624). The grounds assigned by the State Department for this proposed termination of obligations are interesting and pertinent:

> "When, in 1947, the Contracting Parties framed the obligations to one another which are contained in the General Agreement on Tariffs and Trade, it was assumed that the political relations of the countries concerned would be such that it would be in their mutual interests to promote the movement of goods, money, and people between them. It is now apparent that this assumption is no longer valid as between the United States and Czechoslovakia. On the contrary, *relations between the United States and Czechoslovakia have been progressively impaired by manifestations of Czechoslovak ill will toward the United States. The property of American nationals in Czechoslovakia has been confiscated, without compensation or any serious attempt on the part of Czechoslovakia to settle this matter.* American firms have been persecuted and harassed to such a degree that it is virtually impossible for them to do business with Czechoslovakia. Procurement of ordinary trade information essential to the conduct of commercial enterprises has been declared a crime. The United States has been forced, on extremely short notice, to reduce drastically the personnel of its Embassy in Prague. American citizens have been imprisoned without justification. American charitable and welfare organizations have been forced to discontinue their work.
>
> "The impairment of economic relations has been aggravated by the progressive integration of Czechoslovakia's economy into the Soviet bloc. Czechoslovakia has openly declared its intention of

administering its economy solely in the interests of the bloc. It has granted a special and guaranteed position in its economy to Soviet bloc corporations. It has left no room for doubt that its commitments to the United States are being subordinated or disregarded in the carrying out of its undertakings as a part of the Soviet economic bloc." (Italics supplied.)

2. Thereafter, the President of the United States, on October 2, 1951, notified the Secretary of the Treasury that, after November 1st, 1951, United States concessions made in trade agreements would be suspended with respect to imports from Czechoslovakia (see Appendix C, Department of State Bulletin, Vol. XXV, No. 642, Oct. 15, 1951, p. 621). This was done pursuant to the authority conferred by Congress on the President on June 16, 1951, 19 U.S.C. Sec. 1362.

3. Czechoslovakia was, on January 1, 1955, expelled from the International Monetary Fund for failure to fulfill its obligations under the Articles of Agreement of that body. (R. 1, fols. 2274, 721-726; R. 2, fols. 954-955). United States participation in the International Monetary Fund had been authorized by the Congress (see Public Law No. 171, c. 339, 79th Cong., 1st Sess.).

Since appellant is unable to point to any federal policy with respect to the distribution of Czechoslovak assets in this country, and the federal policy of condemnation of Czechoslovak nationalization decrees coincides with the policy of Section 977-b, the first question raised by appellant fails to present a substantial federal question.

In the absence of any obligation by way of treaty or executive agreement, the application by the courts of New York State of its own rules rather than those of a foreign country raises no federal question. *Disconto Gesellschaft* v. *Umbreit*, 208 U.S. 570. Where, as here, there is no national policy governing the distribution of foreign assets in this country, the well-established rule of *Clark* v. *Williard*, 294 U.S. 211, obtains:

> "Every state has jurisdiction to determine for itself the liability of property within its territorial limits to seizure and sale under the process of its courts." (p. 213).

So far as the United States Constitution is concerned, New York State has a free choice, in the handling of claims against assets under its physical control, between a policy of equal distribution by a statutory successor to the debtor corporation (the course adopted by it in this case when it appointed a receiver under Section 977-b) and piecemeal proceedings against the assets by individual creditors. *Clark* v. *Williard, supra*, at pp. 214-5; *Steingut* v. *Guaranty Trust Co., supra*, at p. 630. In the absence of a national policy with respect to the distribution of Czechoslovak assets in this country, New York State is free, with respect to assets located within its jurisdiction, to follow its own public policy and deny enforcement to foreign nationalization decrees which offend the public policy of the forum. *U. S.* v. *Pink, supra*, at p. 231; see *Griffin* v. *McCoach*, 313 U.S. 498, 506.

THE SECOND QUESTION IS NEITHER SUBSTANTIAL NOR PROPERLY RAISED

New York's plenary authority to apply appellant's assets within its jurisdiction to the satisfaction of claims against appellant does not depend upon whether those assets entered New York before or after the date of the Czechoslovak nationalization decrees. Therefore, the second question posed by this appeal fails to present a substantial federal question. In applying appellant's New York assets to the satisfaction of unpaid claims, New York is not denying the validity of the Czechoslovak nationalization decrees. It is merely refusing to give them extraterritorial enforcement within its own confines, because they transgress its public policy. Therefore, *Oetjen* v. *Central Leather Co.*, 246 U.S. 297, and *Ricaud, et al.* v. *American Metal Co., Ltd.*, 246 U.S. 304, discussed on page 15 of appellant's jurisdictional statement, are inapplicable here.

Those cases both involved acts of the (subsequently recognized) Mexican Carranza regime in requisitioning, for military purposes, the Mexican property of Mexican citizens. In both cases, the issue presented to the lower federal court was which of two private claimants to the property (or compensation therefor) was entitled to prevail—a purchaser from the original Mexican owner of the requisitioned property or a purchaser from the Mexican government. This Court decided in favor of the latter, on the ground that the federal courts were constrained from examining the validity of the acts of the Mexican government with respect to property located in its own territory. There was presented no issue of confiscation by the Mexican government, no public policy reflected in the statutes or court decisions of any state of the union, and no question of affording extraterritorial enforcement to the decrees of a foreign sovereign.

Moreover, this Court should not decide the second question, because it was not properly presented in the record below. In his report, Referee Hays, before whom the case was originally tried, stated that the appellant had the burden of proving whether any property was brought into the state after the Czechoslovakian nationalization decree. According to him:

> "Since defendant chose to offer no affirmative proof of its own on this point, I do not have to reach the merits of its contentions, and express no opinion as to the validity of the argument." (R. 1, fols. 606-608.)

Judge Capozzoli, before whom the case was tried on the issues left open by the Referee's report, also commented adversely in his decision on the inability of the defendant-appellant to produce "any factual proof bearing upon the activities of the defendant and its assets and liabilities." (R. 2, fol. 960). Therefore, the second question raised by this appeal should be dismissed on the ground that it was not timely or properly raised, or expressly passed on.

CONCLUSION

WHEREFORE, the issues sought to be reviewed by appellant do not present a substantial federal question and were not timely or properly raised, or expressly passed on, and do not warrant further argument to this Court.

Respectfully submitted,

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APPENDIX A

Excerpt from Department of State Bulletin, Vol. XXV, No. 634, Aug. 20, 1951, p. 290

SUSPENSION OF TRADE-AGREEMENT CONCESSIONS FROM COMMUNIST DOMINATED COUNTRIES

U. S. TO WITHDRAW TARIFF CONCESSIONS FROM CZECHOSLOVAKIA

[*Released to the press July 31*]

The United States has requested that the item "Termination of Obligations between the United States and Czechoslovakia" be placed on the agenda of the sixth session of the Contracting Parties to the General Agreement on Tariffs and Trade, scheduled to convene at Geneva on September 17. The following statement concerning the United States' position in this matter has been circulated to the Contracting Parties:

The United States has determined to withdraw from Czechoslovakia the benefits of trade agreement tariff concessions.

Since the United States and Czechoslovakia are Contracting Parties to the General Agreement on Tariffs and Trade, the United States proposes that at the sixth session all of the obligations existing between it and Czechoslovakia by virtue of the provisions of the Agreement should be formally terminated. This statement is a brief explanation of the factors involved in the United States decision.

When, in 1947, the Contracting Parties framed the obligations to one another which are contained in the General Agreement on Tariffs and Trade, it was assumed that the political relations of the countries concerned would be such that it would be in their mutual interests to promote the movement of goods, money, and people between them. It is now apparent that this assumption is no longer valid

as between the Untied States and Czechoslovakia. On the contrary, relations between the United States and Czechoslovakia have been progressively impaired by manifestations of Czechoslovak ill will toward the United States. The property of American nationals in Czechoslovakia has been confiscated, without compensation or any serious attempt on the part of Czechoslovakia to settle this matter. American firms have been persecuted and harassed to such a degree that it is virtually impossible for them to do business with Czechoslovakia. Procurement of ordinary trade information essential to the conduct of commercial enterprises has been declared a crime. The United States has been forced, on extremely short notice, to reduce drastically the personnel of its Embassy in Prague. American citizens have been imprisoned without justification. American charitable and welfare organizations have been forced to discontinue their work.

The impairment of economic relations has been aggravated by the progressive integration of Czechoslovakia's economy into the Soviet bloc. Czechoslovakia has openly declared its intention of administering its economy solely in the interests of the bloc. It has granted a special and guaranteed position in its economy to Soviet bloc corporations. It has left no room for doubt that its commitments to the United States are being subordinated or disregarded in the carrying out of its undertakings as a part of the Soviet economic bloc.

The United States attaches considerable importance to the maintenance of the General Agreement on Tariffs and Trade as an instrument through which nations which are in agreement on its broad objectives can work together in the economic sphere. The United States is of the view, therefore, that in the interests of maintaining the integrity of the General Agreement on Tariffs and Trade in its application to trade among nations with normal relations, the existing situation between the United States and

Czechoslovakia should be frankly and unequivocally recognized by the Contracting Parties, and the obligations between the two countries embodied in the Agreement, already rendered a nullity by political events, should be formally dissolved.

APPENDIX B

Excerpt from Department of State Bulletin, Vol. XXV, No. 642, Oct. 15, 1951, pp. 622-624

Severance of U.S.-Czechoslovak Commercial Policy Obligations Proposed

Statement by Willard L. Thorp
Assistant Secretary for Economic Affairs[1]

Let me begin by stating specifically what it is that we propose. * * *

* * * * *

Now, I should like to explain why the Government of the United States feels compelled to take the steps which it now proposes for the severance of commercial policy obligations between the United States and Czechoslovakia.

Economic benefits of Gatt nullified

It has been known to my Government for some time that the economic system of Czechoslovakia is being manipulated by its present Government in such a way as to nullify the economic benefits which the United States had expected to accrue from the General Agreement on Tariffs and Trade. Ordinarily these actions would, of course, properly be the subject of a complaint by the United States against Czechoslovakia pursuant to the provisions of article XXIII. But it is clear to us that there is and can be no real remedy under the provisions of article XXIII because we can not

[1] Made before delegates of the contracting parties to the General Agreement on Tariffs and Trade (Gatt) at Geneva, Switzerland, on Sept. 26; printed from telegraphic text.

reasonably anticipate an improvement of our commerce with Czechoslovakia so long as the present state of relations between us exists.

It is, I think, an elementary proposition that fruitful economic relations between any two countries, and the value of commercial obligations between them, must presuppose some reasonable degree of tolerance between the governments concerned, some reasonable degree of mutual respect, some reasonable degree of good faith by each in its dealing with the other. Intolerance, lack of respect, absence of good faith, must surely call into question the validity of promises, which at bottom, rest on a foundation of morality. If one government considers that another government has, as a matter of deliberate policy and practice, harassed its representatives and severely limited their number and scope of operations, if one government considers that another has systematically refused even to receive its representations or even to listen to its protests against acts in violation of treaties or of international law; if one government considers that another has persistently demonstrated untrustworthiness in its dealings between the two governments; if it is impossible for one government to obtain from another even the most elementary commercial and economic information which is essential to the conduct of commercial intercourse; if normal relations between business men and enterprises in the two countries are made impossible by drastic limitations on their activities; if there is no genuine means of communications between the two governments; then what possible basis can there be for the fulfillment of commercial policy obligations such as we find in the General Agreement on Tariffs and Trade? I think it must be abundantly clear that there can be none. The very premises on which the contract was based have been removed.

This, I believe, accurately describes the state of the relations which, under the regime of the present government

of Czechoslovakia, have developed between that government, and the Government of the United States.

Czechoslovak economic system altered

The negotiations which led to the assumption by Czechoslovakia and the United States of commercial policy obligations toward each other were concluded 4 years ago, in the fall of 1947. Since that time Czechoslovakia has radically altered its entire economic system, its method of doing business with the United States, and the general attitude of its government toward the people and Government of the United States. Following upon these basic changes which, I repeat took place after Czechoslovakia and the United States agreed to become parties to the General Agreement, the general relations between the two governments have steadily deteriorated. In the view of the United States these relations have now fallen below that minimum degree of mutual tolerance and respect which is essential to the effective discharge of the obligations of the General Agreement. We ask, therefore, that these obligations be formally liquidated in order that there may be no question as to their continuing validity.

* * * * *

To summarize, Mr. Chairman, our position on this matter:

1. We ask the contracting parties to suspend the obligations of the General Agreement between the United States and Czechoslovakia.

2. We ask this because of the exceptional circumstance that the general relations between the United States and Czechoslovakia have now become so fundamentally altered that commercial policy undertakings between them are no longer meaningful.

3. In seeking this action, we are requesting it in a form which will not disturb the relations which other contracting

parties may have or choose to have with ourselves or with Czechoslovakia.

4. Our proposal is in conformity with the spirit of the legal principles already recognized in the agreement. It would not, in our judgment, create a new and undesirable precedent for other cases less fundamental in character.

5. We consider our request to be entirely fair to all concerned and believe that it should be approved by the contracting parties as a matter of justice and common sense. Accordingly, we are confident that it will receive the necessary support.

APPENDIX C

Excerpt from Department of State Bulletin, Vol. XXV, No. 642, Oct. 15, 1951, p. 621

TRADE CONCESSIONS ON CZECHOSLOVAK IMPORTS SUSPENDED

PRESIDENT INVOKES PROVISION CONTAINED IN TRADE AGREEMENT EXTENSION ACT

[*Released to the press October 2*]

The President on October 2 notified the Department of the Treasury that after the close of business on November 1, 1951, U.S. concessions made in trade agreements will be suspended with regard to imports from Czechoslovakia. The action was taken in accordance with section 5 of the Trade Agreements Extension Act of 1951 which states, in part, that "As soon as practicable the President shall take such action as is necessary to suspend, withdraw, or prevent the application of any reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession contained in any trade agreement . . . . to imports from any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

The Department of State announced on July 31, 1951,[1] that the United States had determined to withdraw from Czechoslovakia the benefits of trade-agreement tariff concessions and to request the contracting parties to the General Agreement on Tariffs and Trade, which is now meeting at Geneva, Switzerland, to concur in the termination of all of the obligations existing between this Government and Czechoslovakia by virtue of the provisions of the General Agreement.

On September 27 the contracting parties by a vote of 24 to 1, with four abstentions, agreed that the Governments of the United States and of Czechoslovakia should be free to suspend their obligations to each other which occur in the General Agreement. On September 29 the chairman of the United States delegation to the contracting parties notified the Secretariat of the contracting parties that the U.S. Government was invoking its rights under the declaration adopted on September 27 and was suspending, effective immediately and until further notice, the obligations of the United States with respect to Czechoslovakia under the General Agreement on Tariffs and Trade.

United States concessions provided for in schedule XX of the General Agreement will continue to be applied to imports from other countries to which the United States is currently granting the benefit of trade-agreement concessions.

On August 1 the President signed a proclamation ordering the suspension of trade-agreement concessions from Communist-dominated countries.[2] Because, however, on that date the United States had international commitments with several such countries which were not consistent with withdrawal of concessions from them, the proclamation

[1] BULLETIN of Aug. 20, 1951, p. 290.

[2] BULLETIN of Aug. 20, 1951, p. 291.

stated that the Treasury, from time to time, would be notified of the countries from whose goods the concessions should be suspended. On the same date the President notified the Treasury of the suspension, as of August 31, of trade-agreement concessions on imports from various specified countries.[3]

On September 17 the President notified the Treasury of the suspension, effective October 17, of trade-agreement concessions on imports from Bulgaria.[4]

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[3] *Ibid.*

[4] *Ibid.*, Oct. 1, 1951, p. 550.